

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in the business of selling at retail tangible personal property. 35 ILCS 120/2 (2000 State Bar Edition). (This is a GIL.)

June 3, 2003

Dear Xxxxx:

This letter is in response to your letter dated May 21, 2003. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at www.revenue.state.il.us/Laws/regs/part1200/.

In your letter, you have stated and made inquiry as follows:

In reference to our phone conversation on May 21, 2003, I need to obtain written clarification regarding, requirements to have a Dealer # to sell vehicles. Our situation only allows AAA to sell the vehicles purchased ,to BBB. The vehicles are never sold to outside businesses or individuals. We are provided by the State, a ST-556 form that we do file. The way we process this is, AAA produces an invoice and ST-556 and bills BBB. The licensing dept. then takes all paperwork to the drivers license facility to process. The problem that we are running into is the CITY facility will not process the title work without AAA having a dealer number. We do an IBT number that is printed on the form. My understanding is AAA is considered a retailer not a dealer. Therefore does not need a dealer number. Please send documentation on this clarification of whether a dealer # is required to process the title work of the vehicles. If there are any further question regarding our situation or relationship between AAA and BBB please feel free to contact me at the address listed below.

The Retailers' Occupation Tax Act imposes a tax upon persons engaged in the business of selling at retail tangible personal property. 35 ILCS 120/2 (2000 State Bar Edition). The Use Tax Act imposes a tax upon the privilege of using in this State tangible personal property purchased at retail from a retailer. 35 ILCS 105/3 (2000 State Bar Edition).

When selling motor vehicles in Illinois, all that is required for tax purposes is that the business is registered with the Illinois Department of Revenue and that a ST-556 return is filed for each sale according to the provisions of the statute and regulations. See 35 ILCS 120/2a and 35 ILCS 120/3. There is no requirement by the Illinois Department of Revenue that a seller of motor vehicles have a dealer number in order to register and pay tax to the Department of Revenue. Nor is a dealer number required in order to prove payment of tax when titling a vehicle.

The Department cannot rule on the requirements of the Secretary of State's office in processing title work.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk